



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 1ST APRIL 2019

DOMESTIC NEWS

The Kenyan shilling held steady against the greenback on Friday, with dollar inflows from remittances, horticulture exports and non-governmental organizations matching subdued end month dollar demand from a cross section of importers. At close of business, the shilling stood at 100.65/85, same as Thursday's close. We expect the local unit, which has gained 1.1% against the dollar this year, to remain relatively stable to the dollar in the short term.

Meanwhile, Kenya's inflation rose to 4.35% year-on-year in March from to 4.14% a month earlier, due to rising food prices, the statistics office said on Friday. On a month-on-month basis, inflation was up 1.6%. The food and non-alcoholic index rose 3.3% month-on-month.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.25	104.25	98.25	103.25
GBP/KES	127.50	135.50	128.00	135.00
EUR/KES	109.75	116.75	110.25	116.25
AED/KES	25.95	25.95	25.95	25.95

Money Market Rates	Current	Previous	Change
Interbank Rate	2.5992%	3.0628%	-0.464
91-Day T-bill	7.500%	7.697%	-0.197
182-Day T-Bill	8.204%	8.226%	-0.022
364-Day T-Bill	9.408%	9.409%	-0.001
Inflation	4.14%	4.70%	-0.560
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell marginally on Friday as increased investor appetite for risk hurt safe-haven currencies after U.S. inflation data came in weaker than expected, adding to the conviction that the country's economy is losing momentum. U.S. consumer spending rebounded less than expected in January amid muted price pressures. With growth slower and inflation benign, Friday's data bolstered the Fed's case for ending its three-year monetary tightening campaign.

The euro was headed for its worst month since October, weighed down by fears about economic growth and cautious signals from the European Central Bank. Policymakers cut growth forecasts for the euro zone economy earlier this month and launched a new round of cheap loans to its banks. On the day, the euro was a tad higher at \$1.1240 but remained down about 1.2% for the month.

Meanwhile, the sterling pound fell on Friday after lawmakers rejected PM Theresa May's Brexit deal for a third time, putting the British currency on track for its biggest monthly loss in five. With May losing again - albeit by a smaller magnitude than the previous two votes - sterling is set to remain under pressure on fears the U.K will crash out of the E.U. without a deal on April 12. On the day, the pound fell as much as half a percent to the day's low of \$1.2955. It later stabilized to settle at \$1.3055, down 0.2% on the day

Elsewhere, global oil prices rose in early trading on Monday, adding to gains in the first quarter when the major benchmarks posted their biggest increases in nearly a decade, as concerns about supplies outweigh fears of a slowing global economy. Brent crude was up 0.05% to settle at \$68.15 a barrel.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Amounts >100,000	
	KES	USD
2 Weeks	6.50%	2.00%
1 Month	7.00%	2.50%
3 Months	8.00%	2.75%
6 Months	8.50%	3.50%
1 year	9.00%	3.75%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1190	1.1290
GBP/USD	1.3005	1.3105
USD/AED	3.6675	3.6785
USD/JPY	110.55	111.55

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